

AMENDED IN ASSEMBLY MAY 4, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

**ASSEMBLY BILL**

**No. 60**

**Introduced by Assembly Member Nunez**

December 6, 2004

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An act to add Section ~~42238.47~~ 42238.48 to the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 60, as amended, Nunez. School finance: revenue limit equalization.

Existing law requires the county superintendent of schools to determine a revenue limit for each school district in the county pursuant to a specified formula. Existing law provides 2 revenue limit equalization adjustments for each school district for the 2003–04 fiscal year.

This bill would require the Superintendent of Public Instruction to compute, as specified, an equalization adjustment for each school district for the 2005–06 fiscal year and each fiscal year thereafter.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     *SECTION 1. Section 42238.48 is added to the Education*
- 2     *Code, to read:*
- 3     *42238.48. (a) For the 2005–06 fiscal year and each fiscal*
- 4     *year thereafter, the Superintendent shall compute an equalization*
- 5     *adjustment for each school district as follows:*

1     (1) Subtract the unrestricted funding per pupil received by a  
2 school district in the prior fiscal year from the average  
3 unrestricted funding per pupil received statewide in the prior  
4 fiscal year by the appropriate type of school district listed in  
5 subdivision (b). If this difference is less than zero, the amount  
6 computed pursuant to this paragraph shall be deemed to be zero.

7     (2) Multiply the amount computed for each school district  
8 pursuant to paragraph (1) by the number of pupils enrolled in the  
9 school district for the current fiscal year as determined by the  
10 Superintendent.

11     (3) Determine the sum of the amounts computed for all school  
12 districts pursuant to paragraph (2).

13     (4) Divide the amount appropriated for purposes of this  
14 section for the current fiscal year by the amount computed  
15 pursuant to paragraph (3).

16     (5) Multiply the amount computed for a school district  
17 pursuant to paragraph (2) by the amount computed pursuant to  
18 paragraph (4).

19     (b) Subdivision (a) applies to the following types of school  
20 districts:

21         (1) Elementary.

22         (2) High school.

23         (3) Unified.

24     (c) For the purposes of this section, the average unrestricted  
25 funding per pupil received statewide in the prior fiscal year  
26 determined for the purposes of paragraph (1) of subdivision (a)  
27 and the fraction computed pursuant to paragraph (3) of  
28 subdivision (a) by the Superintendent for the second principal  
29 apportionment for the current fiscal year shall be final and shall  
30 not be recalculated at subsequent apportionments. The  
31 percentage equivalent to the fraction computed pursuant to  
32 paragraph (3) of subdivision (a) shall not exceed 1.0.

33     (d) (1) For purposes of this section, “unrestricted funding”  
34 means the sum of the following:

35         (A) Revenue limit funding received pursuant to Section 42238,  
36 including any adjustments related to PERS employer  
37 contribution rates.

38         (B) Funding for Meals for Needy Pupils programs received  
39 pursuant to Section 42241.2.

1 (C) Funding for new continuation education high schools  
2 received pursuant to Section 42243.7.

3 (D) Funding for necessary small schools pursuant to Article 4  
4 (commencing with Section 42280).

5 (E) Incentives for longer instructional day and year pursuant  
6 to Article 8 (commencing with Section 46200) of Chapter 2 of  
7 Part 26.

8 (F) Incentives to increase beginning teachers salaries.

9 (G) Property tax revenues in excess of amounts that may be  
10 applied against state aid for purposes of revenue limits, special  
11 education, or regional occupation centers and programs.

12 (H) Unemployment insurance adjustment revenues received  
13 pursuant to Section 42241.7.

14 (I) Federal impact aid or any other similar unrestricted  
15 funding received from the federal government.

16 (J) Any other unrestricted funding received by a school district  
17 as determined by the Superintendent.

18 (2) For purposes of this section, "unrestricted funding per  
19 pupil" means the amount determined pursuant to paragraph (1)  
20 divided by the number of pupils enrolled in the district for the  
21 current fiscal year, as determined by the Superintendent. For  
22 purposes of this section, enrollment shall exclude pupils enrolled  
23 in charter schools for which funding is computed pursuant to  
24 Section 47633.

25 ~~SECTION 1. Section 42238.47 is added to the Education~~  
26 ~~Code, to read:~~

27 ~~42238.47. (a) For the 2005-06 fiscal year and each fiscal~~  
28 ~~year thereafter, the Superintendent shall compute an equalization~~  
29 ~~adjustment for each school district as follows:~~

30 ~~(1) Subtract the unrestricted funding per pupil received by a~~  
31 ~~district in the prior fiscal year from the average unrestricted~~  
32 ~~funding per pupil received statewide in the prior fiscal year by~~  
33 ~~the appropriate type of district listed in subdivision (b). If this~~  
34 ~~difference is less than zero, the amount computed pursuant to this~~  
35 ~~paragraph shall be deemed to be zero.~~

36 ~~(2) Multiply the amount computed for each district pursuant to~~  
37 ~~paragraph (1) by the number of pupils enrolled in the district for~~  
38 ~~the current fiscal year as determined by the Superintendent.~~

39 ~~(3) Determine the sum of the amounts computed for all~~  
40 ~~districts pursuant to paragraph (2).~~

~~(4) Divide the amount appropriated for purposes of this section for the current fiscal year by the amount computed pursuant to paragraph (3).~~

~~(5) Multiply the amount computed for a school district pursuant to paragraph (2) by the amount computed pursuant to paragraph (4).~~

~~(b) Subdivision (a) applies to the following types of school districts:~~

~~(1) Elementary.~~

~~(2) High school.~~

~~(3) Unified.~~

~~(c) For the purposes of this section, the average unrestricted funding per pupil received statewide in the prior fiscal year determined for the purposes of paragraph (1) of subdivision (a) and the fraction computed pursuant to paragraph (3) of subdivision (a) by the Superintendent for the second principal apportionment for the current fiscal year shall be final and shall not be recalculated at subsequent apportionments. The percentage equivalent to the fraction computed pursuant to paragraph (3) of subdivision (a) shall not exceed 1.0.~~

~~(d) (1) For purposes of this section, "unrestricted funding" means the sum of the following:~~

~~(A) Revenue limit funding received pursuant to Section 42238, including any adjustments related to PERS employer contribution rates.~~

~~(B) Funding for Meals for Needy Pupils programs received pursuant to Section 42241.2.~~

~~(C) Funding for new continuation education high schools received pursuant to Section 42243.7.~~

~~(D) Funding for necessary small schools pursuant to Article 4 (commencing with Section 42280).~~

~~(E) Incentives for longer instructional day and year pursuant to Article 8 (commencing with Section 46200) of Chapter 2 of Part 26.~~

~~(F) Incentives to increase beginning teachers salaries.~~

~~(G) Property tax revenues in excess of amounts that may be applied against state aid for purposes of revenue limits, special education, or regional occupation centers and programs.~~

1     ~~(H) Timber yield tax revenues, federal impact aid, or any other~~  
2     ~~similar unrestricted funding received from the federal~~  
3     ~~government.~~

4     ~~(I) Any other unrestricted funding received by a school district~~  
5     ~~as determined by the Superintendent.~~

6     ~~(2) For purposes of this section, “unrestricted funding per~~  
7     ~~pupil” means the amount determined pursuant to paragraph (1)~~  
8     ~~divided by the number of pupils enrolled in the district for the~~  
9     ~~current fiscal year, as determined by the Superintendent. For~~  
10    ~~purposes of this section, enrollment shall exclude pupils enrolled~~  
11    ~~in charter schools for which funding is computed pursuant to~~  
12    ~~Section 47633.~~